

### **Independent Evaluation Questions**

1. What change has occurred that has resulted in the need for this “rate” increase? Please be specific.
2. What has the gross trust revenue amount been each year since 1971 adjusted to current dollars using a common state inflation adjuster? What have been the expenses in a similar fashion? What is the percent of expenditures by general object of expenditure historically (e.g., salaries & benefits, contractual services, etc.). This object of expenditure information will provide a glimpse regarding how the allocation of resources might have changed over time. What are the total FTE supporting the Trust over time and what is the average salary (not adjusted for inflation) of that FTE.
3. The summary notes “timber prices have remained low in recent years and are projected to continue at lower than historical levels.” Please provide a history and projection of those “timber prices” (actual and adjusted for inflation) historically and on a pro forma basis. We will want to compare the pro forma forecast of timber prices against our forecasted revenue as shown on the Excel spreadsheet entitled Revenue by Fund V14 w o TLT.xls 8/17/2004.
4. What are the efficiency measures initiated over the last three years and how much real savings did they generate? What have been the contributors to increased costs over the past three years and how did those contributors help with the effectiveness of the management of the Trust?
5. Please provide a historical comparison of the percent of the total DNR budget supported by revenue generated from the Trust Funds. Is revenue from Trust Funds used to support functions (e.g., Departmental Direction, overhead, etc.) that are not 100% in support of the Trust Fund function? If so, how has that diversion of revenue changed over history?
6. What alternatives to this rate increase were reviewed and why were they rejected? If this rate increase is not forthcoming what alternative actions are proposed that will have the least impact on the Trusts and what is that impact?
7. Please share the portions of the “thorough technical and economic analyses” that shows environmental benefits and sustainable forest management cannot be obtained without an increase in rates. On what will the money be spent?